

House Bill 242 (AS PASSED HOUSE AND SENATE)

By: Representatives Knox of the 24<sup>th</sup>, Hembree of the 67<sup>th</sup>, Keen of the 179<sup>th</sup>, Ehrhart of the 36<sup>th</sup>, and Watson of the 91<sup>st</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees  
2 and taxes regarding insurance, so as to provide for an exemption for certain high deductible  
3 health plans sold or maintained in connection with a health savings account with respect to  
4 state insurance premium taxes; to amend Chapter 7 of Title 48 of the Official Code of  
5 Georgia Annotated, relating to income taxes, so as to provide that the taxable net income of  
6 any taxpayer of this state shall not include premiums paid for high deductible health plans  
7 established and used with a health savings account; to provide for conditions and limitations;  
8 to provide for related matters; to provide an effective date; to provide for applicability; to  
9 repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 8 of Title 33 of the Official Code of Georgia Annotated, relating to fees and taxes  
13 regarding insurance, is amended by inserting a new subsection (c) in Code Section 33-8-4,  
14 relating to amount and method of computing tax on insurance premiums generally, to read  
15 as follows:

16 "(c) Insurers may claim an exemption from otherwise applicable state premium taxes as  
17 provided for in subsection (a) of this Code section in an amount equal to 2.25 percent of  
18 the premiums such insurers collect during the applicable tax year from Georgia residents  
19 on premiums paid for high deductible health plans sold or maintained in connection with  
20 a health savings account under the applicable provisions of Section 223 of the Internal  
21 Revenue Code."

22 **SECTION 2.**

23 Chapter 7 of Title 48 of the Official Code of Georgia Annotated, relating to income taxes,  
24 is amended by inserting a new paragraph (13.1) in subsection (a) of Code Section 48-7-27,  
25 relating to computation of taxable net income, to read as follows:

H. B. 242

“(13.1) An amount equal to 100 percent of the premium paid by the taxpayer during the taxable year for high deductible health plans established and used with a health savings account under the applicable provisions of Section 223 of the Internal Revenue Code to the extent the deduction has not been included in federal adjusted gross income, as defined under the Internal Revenue Code of 1986, and the expenses have not been included in itemized nonbusiness deductions;”

### SECTION 3.

This Act shall become effective on January 1, 2008, and shall be applicable to all taxable years beginning on and after January 1, 2008.

## SECTION 4.

All laws and parts of laws in conflict with this Act are repealed.